

Tyringham Finance Committee

Meeting minutes from November 11th, 2013 meeting

Present:

Jim Consolati - Chair

Don Puntin - Member

Tonio Palmer - Member

1. Previous meeting minutes approved

2. Discussion about the actual tax rate which just became available and which was approved by the State. Jim distributed "The Commonwealth of MA Department of Revenue Tax Rate Recapitulation of Tyringham" published by the State. The new rate is \$6.58/\$1,000 valuation. This is a 9.5% increase over last year's rate of \$6.00/\$1,000. and slightly higher than the projected rate of \$6.56.

Expenditures for FY 2014 at \$1,456,918 are **lower by 2%** than FY 2013 (\$1,430,395) and yet the tax rate is higher.

Explanation:

- State reduced the amount returned to the town (no explanation available at the moment)
- The town did not borrow any funds this year and so carried the full cost of operations and equipment purchases
- The town voted to take less money from Free Cash
- The town voted to take less money from the Stabilization fund

Jim also explained that the town is still within the 2 ½ % rule as rates have risen well below 2 ½ % in past years. We are, however, getting very close to the 2 ½% limit.

2a. The State does not approve the new tax rate until after the mid-year tax bills are sent so the impact of the increase is felt doubly on the next tax bill. Residents will notice a significant increase in their tax bill for this reason.

As an example: Assume your tax bill is \$1,000 twice a year and the tax rate goes up by 10%. Since the town fiscal year starts in July you should get a bill for \$1,100 on your first tax bill for the year. However, since the State does not release the actual rate in time you continue to pay \$1,000 for the first payment but must pay \$1,200 on the second bill to reflect the rate increase.

3. Discussion of timeline for reviewing budgets and presenting the budget to the town prior to the town meeting. Presentation to the town should be at least 2 weeks prior to the town meeting. Timeline needs to be discussed with the Selectboard but the preliminary thought is:

- April 29th - Budget presentation to the town
- Early April - review with Selectboard
- Late February/Early March - conduct department budget reviews
- Mid January - distribute forms/information requests to departments for budget preparation (coordinated with Molly).

4. Discussion on the grouping of budget line items for budget presentation. Tonio distributed a rough draft of groups. Next version to be discussed at next meeting.

Meeting adjourned at 7:45pm.

Next Meeting: November 25th at 6:30pm